



Public Services Committee

Oral evidence: The role of public services in addressing child vulnerability

Thursday 24 June 2021

9 am

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Members present: Baroness Armstrong of Hill Top (The Chair); Lord Bichard; Lord Bourne of Aberystwyth; Lord Hunt of Kings Heath; Baroness Pinnock; Baroness Pitkeathley; Baroness Tyler of Enfield; Lord Young of Cookham.

Evidence Session No. 14

Virtual Proceeding

Questions 113 - 123

Witnesses

I: Cat Little, Director-General, Public Spending, HM Treasury; Mark Sweeney, Director-General, Cabinet Secretariat, Cabinet Office.

Examination of witnesses

Cat Little and Mark Sweeney.

Q113 **The Chair:** Good morning, everyone, and welcome to the additional session this week of the Public Services Committee in the House of Lords. I particularly welcome two witnesses this morning, both of them very senior civil servants, one from the Treasury and one from the Cabinet Office. We are delighted that you have been able to join us this morning.

Several people on the committee have been in government as Ministers, or Permanent Secretaries or whatever, so we know the limitations of what you are able to say, and we know that the people we really need to hold to account are Ministers. None the less, we need to hear about your knowledge and experience and your role in driving policy so that we can make sure that we get a fair and proper representation of things when we make our case at the end of the report.

I chair the committee and therefore traditionally ask the first question. We try to be clear that we are asking questions that are relevant to what you are doing. My first question is directed to Mark at the Cabinet Office and is about something that I know very well from my time in the Cabinet Office.

Across government, different departments are working very closely on different subjects and therefore with different families, and are developing policy for different families, but it is very difficult to see how all of that is joined up and how the various programmes across government, with their different stated aims and their different criteria for assessment and evaluation, deliver to the same families.

How on earth do we have the ability to co-ordinate that? What is the thinking at the moment about this, and what structures have you developed to co-ordinate policy to enable data sharing, for example, which is a huge issue these days, and to promote shared outcome frameworks across the different departments, working with the same service users on the crosscutting issues that we are looking at?

Mark, I have rambled a bit to give you time to settle in.

Mark Sweeney: Not at all. Thank you very much. It is exactly as you said; there is a slightly terrifying array of expertise in government of various types on the screen, so a lot of what I say will be very familiar to you, I expect.

There are probably three things in your question. The first is how the Cabinet Office, or the centre, sees its role in helping to join up departments that are all executing different policies that all impact on the same or overlapping cohorts of people and what structures exist for that.

The second question is about data and how the Cabinet Office, or the centre, makes sure that departments are sharing the data and that the barriers to data are removed while keeping protections in place.

The third question is about shared outcomes, and probably goes a little into Cat's territory, which is the delivery plans, but I will talk about all three briefly and then hand over to Cat if she would like to add something on that last point.

Stepping back, you will all know that I run the economic and domestic secretariat in the Cabinet Office. It is a small team in Whitehall terms—it is about 80 people—and our job is formally to support collective agreement. We support the running of Cabinet and its committees—the business of Cabinet papers being prepared, bringing the issues out clearly, making sure that Ministers are briefed, getting decisions recorded and executed. In practice, of course, we also from time to time bring people together to try to solve problems where departments cannot agree or where there is a problem that crosses a departmental boundary and discussion needs to be promoted.

The important thing to say is that the Cabinet Office is not always the answer. Think about the problems not just of vulnerable children but of an area perhaps that I know better. My previous role was director-general of the Ministry of Justice. The justice system is a classic system where you are dealing with a series of people who are handed between the services run by the Ministry of Justice, the Attorney-General, the Home Office and other parts of government—DWP, CLG, DHSC.

What you want as the Cabinet Office is for those departments to work together, and there are at least two ways in which you can get that which does not involve the Cabinet Office day to day. One is incentivising them through the plans and the outcomes that they are set and the money that they are given. The other is cultural: you have to set up the leadership in a way that they will want to work together. You can have all the bits of the paper in the world saying that you have a shared objective, but if people are not culturally aligned, that is an issue.

The other role of the secretariat is to get people together. We do not oversee policy in a longitudinal way. We do not tend to get people in and say, "Right, we're now going to have a role in helping to steer this policy for months or years", because we are a slightly more tactical outfit than that. There are exceptions, though. In the last six weeks in the Cabinet Office, for example, we have established a levelling-up unit, sitting under me, whose job is effectively to co-ordinate the work on levelling up for the PM. I am happy to say a little bit about that in due course. That is the role of the Cabinet Office.

Specifically on the bit of your question about what structures exist, you will know, again, that there is a choice of formal structures. You can have a Cabinet committee. You can have an inter-ministerial group, which, broadly speaking, is distinguished from a Cabinet committee because it is a meeting that is organised, brought together and supported from the centre but does not take policy decisions; it does not have the "power of collective agreement". They have existed through all types and flavours of Administration, and some exist now. As you will have heard, I think, from the officials from the relevant departments when you heard from

them in April, you can have a joint Minister, and you can have boards engaging Ministers and others from across the piece. All those mechanisms exist. To answer your question, there is nothing additional in the Cabinet Office at the moment that brings these things together.

The second question was about data. I think when you had colleagues from DfE, DHSC and elsewhere in front of you in April, they talked a bit about some of the work that is being done on data, so I will not repeat what they said about the various different parts of the data improvement across government work, which is being funded out of the shared-outcomes fund, because they covered that in some detail.

The thing to say is that the Cabinet Office now has a new central data additional office. A bit about it was set out in Michael Gove's government reform statement a couple of weeks ago. That is charged, if I can put it briefly, with making government more interoperable—how can you treat government like a platform, how can you make sure that people have common standards, and so on? It is not about going back 20 years to trying to get EDS or some other firm to build your entire system and then it not being interoperable with anyone else. Instead, it is about having an arrangement whereby you are making sure that, if you have common standards and common protocols, data sharing becomes easier by default, because you do not have departments designing different systems without talking to each other.

That is the architectural piece. Within that, you have the kind of work that Fran from the DfE talked about, which is looking at what specific datasets would assist if we could pool them and compare individual cohorts of people.

I should say, and this is a very boring Whitehall wiring point, that the bit of the Cabinet Office that sits under Michael Gove is not the bit I sit in. The Cabinet secretariat is pretty small and reports, as you will know, from the Cabinet Secretary to the Prime Minister. The data operation and the procurement policy part of the Cabinet Office, which we might come on to talk about, both report to the CDL through Alex Chisholm, the Civil Service chief operating officer.

Finally, there is the question about shared outcomes. That is a really good question. People have talked for 25 years or more about inputs, outputs and outcomes in government policy-making. Alongside the spending review last year, the Treasury, with a lot of engagement and support from the Cabinet Office and No. 10, worked with departments and set out a series of priority outcomes that will be reflected in departments' outcomes and delivery plans. If you look at the Treasury documentation, which you will have done, you will see that a number of those are cross-cutting—they are allocated to departments, and then it is made expressly clear that they are shared. DfE has two in relation to vulnerable families and to children and childcare. So the brief answer to your question, going back to what I said at the start about collaboration, is that you have to give departments an outcome or outcomes and say, "You're all on the hook for this".

Then you need to get the inputs right. That is where we come partly to spending and partly to culture. When the departments appeared in front of you in April, you will have formed your own impressions of how well they are or are not working together. You had a bit of a discussion with them, I think, about whether they would have a shared SR bid. The answer given by the strategy director in DfE is quite illuminating. He said, "I am not sure we will, but the point is that we should be submitting aligned bids".

If you have a shared outcome, that is fine. The test of whether you are getting the cultural change that is necessary to make that real is whether, when they get to the spending review, which is that existential moment for any department as it stares at its next three years, it decides. "You know what, actually we're going to put effort and time into aligning bids". Then you get into the role of the Treasury in looking across the piece and making sure that from its perspective they are aligned.

Cat, do you want to add anything briefly to that last point? I have gone on for a while, I fear.

Cat Little: Yes, I would, if that is okay. Good morning, everybody, it is a real pleasure to be here. I am conscious that I have not been before you previously, so, by means of introduction, I am the director-general for public spending in the Treasury, and I am also the head of the government finance function. I am responsible for running the spending review and fiscal events, for the financial management framework and for the oversight of performance planning and risk.

The outcomes delivery framework is a bit of a personal passion of mine. Last year, as Mark said, alongside the spending review we implemented the public value framework, which builds on the long-standing work of Michael Barber and reinstates the importance of outcomes and shared outcomes in the way in which we think about how we support citizens and deliver public services. As Mark said, 16 shared outcomes were agreed as part of the spending review. I cannot stress enough how important it was that we started the spending review process with a really clear view of what outcomes we were trying to achieve. It was very much a golden thread throughout the SR.

We work with the Cabinet Office to monitor and assess how departments are doing against those outcomes partly through joint delivery boards. Mark mentioned a couple with the DfE. There is a joint delivery board, for example, for supporting the most disadvantaged and vulnerable children. That is made up of all the departments that are jointly accountable, but it is chaired by the DfE as the lead department. That delivery board tracks performance—it tests interventions, it evaluates the data that comes from pilots and programmes—and it is the role of that delivery board to develop joint plans.

Both the Treasury and the Cabinet Office sit on that board, but there is equivalent governance and activity undertaken for all of the 16 priority

joint outcomes. I have to admit that I need to speak to the board about its plans for the SR and why it may decide not to put forward a joint bid. I have not yet had that conversation with those departments, but the Treasury institutionally really, really supports and does everything it can to incentivise and encourage joint bids, but in the absence of joint bids being forthcoming it is our role to make sure that individual bids align and that we are maximising the benefits that are achieved from the individual bids that we receive.

If I may, I would just add to Mark's point on data, because it is such an important part of the work that we undertake on evaluation and assessment. In the government reform statement last week we established the evaluation task force. One of the biggest challenges that we have in assessing joint activity is having really good data, analysis and evaluation, so it is a major priority for both the Treasury and the Cabinet Office to improve our datasets.

For every shared outcome that we have in all our priority outcomes, we set trajectories for targets, for KPIs, and we are also working to set out the datasets that are essential for making sure that we can evaluate effectively how we are doing against those outcomes. That is a less mature part of the framework, and there is significant effort under way to make sure that as time goes on we have better datasets and better tools to do it.

The Treasury oversees something called OSCAR, which is the main data-gathering software for government. We use it for both Cabinet Office and for Treasury purposes. It started as a financial management data collection tool, but because it has a platform that is quite extensive, everybody uses it in Whitehall and the data security and quality are good. We have expanded it to cover a number of other datasets, and this year we are now collecting all risk management and IPA programme data through OSCAR. I see that as the main platform through which we will collectively start to do much more on shared datasets, but I appreciate that we are at the start of the journey on a number of them.

Q114 The Chair: Thank you very much for that. It strikes me that one of the things that you are both talking about are the preparations for the CSR and so on. One of the anxieties that this committee has been struggling with is that we want to have earlier intervention, which has outcomes that will not be measurable quickly but that would in the longer term have much greater impact. Early intervention and prevention work is quite difficult to fit into the three-year spending programme. I wonder, therefore, whether in the three-year spending programme you now have the capacity to recognise, "We've made this much progress, but actually we now need to build on that and make further progress and so build new things into the new round".

We heard yesterday from someone who used to be in Treasury that the same questions tended to be asked every time. In this sort of area, how do you build up to make sure that you have a long-term programme and evaluate more effectively the long-term impact of interventions that you

take before it has become a crisis?

Cat Little: I could not agree more, Chair. Institutionally, and personally, we are very, very supportive of early intervention work. We know that it leads to better outcomes over time, and it is certainly better value for money whenever we are successful. You are right to say that there are some real challenges about the timescales. I mentioned earlier the evaluation and therefore the data that you can collect in order to put forward really strong investment cases to the Treasury.

It is one reason why we started the shared outcomes fund. We have now had two rounds of that fund. We started it in 2019. There were 24 programmes at that stage, and we are about to release the details of the latest round and how that is being spent across number of programmes. The idea of that fund is to make sure that there is fairly modest funding but spread across a number of really good ideas that we know were fairly immature and that need initial funding to help develop a dataset evaluation to start testing and piloting the ideas for early intervention in particular, but on a shared outcome basis across government.

I fully expect that, as part of the forthcoming spending review, the pilots and programmes that were started in 2019 will come back and say, "We've achieved a lot. We've some positive outcomes. Here's the data and evaluation so far. Let's talk about how we can scale up the activity that we've undertaken".

It is also really important that we work alongside departments across all the shared activity that we undertake. It is much, much more than just the funds that have crosscutting purposes. It is part of our ongoing work to make sure that we understand how joint early intervention work is undertaken so that we can best support successful bids over time. Spending reviews are merely fiscal events at a moment in time. We all know that life changes quite significantly in a three-year period, so part of the ongoing work of the Treasury and the Cabinet Office is to make sure that we see a seamless thread between fiscal events and periods which they cover. That is largely done through the performance framework.

Q115 **The Chair:** Thank you. Mark, can I come back to you about specific Cabinet Office issues? We have heard about the new committee that is looking at public services and public service reform and what you have learned from Covid. Could you say something about that and about the relationship with the delivery unit? I was pleased to see the delivery unit back, but I am interested to hear what the relationship it and how it will develop.

Mark Sweeney: I will give you one answer that you might find disappointing and one answer that might be more enlightening, and you can tell me afterwards whether that is right. The disappointing one is that you will know, I guess, that there is a convention that, to protect collective agreements, we tend not to talk about the agenda or content of Cabinet committee discussions. So I cannot say that it has met X times

and talked about Y subjects, because, in practice, the point at which decisions are made and announced is when that becomes apparent.

I can talk in general terms, though, because I want to be helpful to the committee. You will know that the committee exists and is chaired by Michael Gove. That is all clear. There are a couple of things about it that I do not think the CDL would mind me saying. The first is that he is very focused on data, to go back to the question that you asked earlier. When he approaches these discussions, he is interested in what the data is telling us about what trends there have been over time, how the pandemic has affected them and what lessons we might therefore have learned from the way in which services have had to adapt.

You will know, and of course your earlier report went into this in a lot of depth, that some public services have faced enormous strain. Some have struggled and some have managed to find new ways of doing things. Innovations now exist that might be worth keeping, and one of the things that the CDL is interested in is what we can keep.

Without going into what it has discussed or might discuss, it is pretty common knowledge publicly which public services have faced the most significant challenges from the pandemic and now have what you might call backlogs or deficits, or however you want to frame it. There has been a lot of public discussion about health and elective surgery in particular. There has been a lot of discussion, a lot of it in the newspapers, about lost learning in education, and there has also been discussion about the criminal justice system; you have seen, in my own former patch, Nightingale courts and all kinds of innovations that were in hand, such as video hearings, be accelerated by the pandemic.

So in thematic terms the CDL's committee is looking and will look with the relevant Secretaries of State not just at how we recover from the pandemic but at where public service delivery has changed and where we can now bottle and keep the things that we managed to change and improve during that process. That is not the same as running everything at a stress level all the time, because you cannot ask hard-pressed frontline workers to work in crisis conditions for any length of time, but it is about capturing innovations that are sustainable. That will go hand in hand with the spending review in due course, because if you are the Treasury you want to fund things that will work for the long term and not just treat a problem with money but treat a problem with money that will buy better outcomes.

On your second question about the delivery unit, you are right that delivery is back, but it never went away, in the sense that, as you will know well from your time in the Cabinet Office, we have for 20 years had a delivery unit, an implementation unit, or something of that kind in the centre, whether in No. 10, next door in the Cabinet Office, or in the Treasury briefly at one point. This is, in architectural terms, a return to a kind of Blair approach—Blair II, I suppose—of having a delivery unit with a senior head in No. 10 reporting directly to the Prime Minister. That head

will be Emily Lawson, head of the vaccine programme—that has been announced—and in the meantime is Gus Jaspert, a senior civil servant.

What the delivery unit will do is not quite the same as the delivery unit of 20 years ago but is similar in some respects. The intention is, first, that it maintains a delivery focus on the things that are top priorities for the Government. You will recall that the Blair unit of years ago had a number of outcomes that it chased in particular, for example waiting times, which were very specific. It would routinely monitor how departments were doing and then seek to unblock problems. Michael Barber gave us a lot of learning from that period.

The new delivery unit has four missions—this is all out there in the job advert, so this is not a state secret—in looking at how the Government are delivering: how they are delivering against levelling-up, jobs and skills, net zero and public service reform. You will instantly spot that these are not granular priorities that can be chased down, so they need definition. Within each of those buckets, if I can put it like that, there is obviously a range of things that government is doing. If you think about public service reform, in health alone there are manifesto targets on building hospitals, on GP appointments, on nurse recruitment.

What the delivery unit is not going to do is monitor and chase delivery plans for every important target, because it will quickly lose focus. So what is happening at the moment, alongside the building of the unit, is working out which areas it is most important to apply what Michael Barber would call deliverology to. The unit is working with departments to understand their delivery plan, to assure it, and to ensure that there is a clear line of reporting and escalating to the PM and senior Ministers as needed and that therefore delivery stays on track.

Finally, this is my speculating rather than a firm plan, but you would expect things to move in and out of those buckets over time. At some point, targets will either go very green and you will want to move to something else, or it will be achieved. So there is something about being a bit iterative, but it will require discipline to make sure that the delivery unit is looking at an agreed series of top priorities and that everything else the Government do is tracked through the Cabinet Office and the Treasury's reporting on outcome delivery plans.

In theory, if you think of it like a pyramid, the delivery unit should be focused only on things that are at the very pinnacle, the standard reporting architecture should deal with everything else, and you need to be capable of escalating up from the vast majority of the pyramid to the top and down again. That is broadly the concept.

The Chair: Thank you very much.

Q116 **Lord Young of Cookham:** I have found the exchanges so far interesting in shedding a lot of light on what we are looking at. As a former Treasury Minister, can I wish Cat Little well in managing what will be a very challenges spending review?

You have answered one of the questions that has been bothering us when we were told that joint bids were unlikely to receive funding. I think you have both made it clear that joint bids—or aligned bids, as Mark called them—are welcome and that you are into crosscutting outcomes. I have one question on that for the Treasury. Do you score the joint bids against one lead department and then hold that to account, or do you spilt the joint bids between the two departments and they are both held to account? I would like just a quick accounting answer on that, perhaps from Cat.

Cat Little: Thank you ever so much for your good wishes. I suspect I will need them. As you know, the framework for spending means that we always allocate money through the line of the accounting officer, so money at the first point at which the Treasury distributes it always goes to an individual department.

Beyond that, for joint bids and where we have shared outcomes, we expect the money to be distributed in the right way to drive the right outcomes—that will obviously vary quite significantly, depending on the subject matter—between the organisations that are actually fulfilling the activity. So I am afraid that it is a bit of a hybrid of the two options that you have described. For accounting purposes, it will be allocated to a department and then spent by multiple organisations as the department sees fit.

Q117 **Lord Young of Cookham:** Thanks, Cat. Can I press you on this? Before you took on your current responsibility for public spending at the Treasury, you were director of finance at two major spending departments, so you are very well placed to see both sides of the spending review. As Hilary said, final decisions on priorities, of course, rest with Ministers, but in briefing Ministers for bilaterals what are the arguments that move the dial for officials in recommending particular priorities, as they see it, based on the evidence?

Cat Little: Can I just check that I have understood your question? Are you interested in the sort of things that would swing our advice to support a bid?

Lord Young of Cookham: Yes. If you are, say, briefing Ministers from the Treasury, and—going back to something that Hilary just said about investing in prevention—if you look at what has happened in the past, there has been a squeeze on what one might call preventive measures in favour of the immediate. If you look at public health funding, at social care as against the NHS, at parts of law and order, the immediate priorities seem to be not the ones the chair was talking about but the immediate political priorities. When you stand back and look at the case for a bid, what is the evidence that officials rely on in deciding which priority to go for?

Cat Little: I should say, having worked in two major spending departments and in the Treasury, that my answer would be the same in both. We establish our main evaluation through the evidence that is

required through the Green Book, which I am sure you are all familiar with and which has recently undergone quite significant revisions and clarification to support levelling up and shared outcomes.

We do not look purely at the financial case. It is our role to make sure that we go right back to the strategic case and the strategic fit of what problems we are trying to solve, what outcomes we are trying to achieve, and what data and evidence there are to prove that any intervention is strategically the right thing to do. There are lots of different ways in which we will go about gathering evidence, and quite a lot of it is working alongside departments and programmes on an ongoing basis.

There is of course the financial and the economic case, and there we are very rigorous in the sort of information that we require, both on costing and on benefits realisation. I alluded earlier to one of the biggest challenges that early intervention programmes in particular have: having enough mature data to allow the sort of sophisticated fiscal and economic evaluation that the Treasury would rely on. Ultimately, we bring that case together using both qualitative and quantitative data in order to provide our advice. Wherever we can we support early intervention and preventative interventions where that evidence is clear and where we feel that it is able to fulfil the strategic case and the requirements for investment set by the Treasury.

There is quite a lot of work that we do where the Treasury does not have the final say on the balance of funding. Large amounts of money are allocated to local government and to health in particular that are not ring-fenced, so it is distributed and up to local leadership to look at the balance of investment and in particular to look at the balance between early intervention and other spending.

I recognise what you described: that there is more of a short-term focus. I think that has been driven partly by the fact that we have had two one-year spending reviews, but if you look at local government—I think a couple of witnesses have drawn this out—there is undoubtedly real strain on local government. That is a really good example of an area where funding from the Treasury is not ring-fenced and it is therefore over to local leadership to work within the frameworks and the guidance that we set to determine how best to distribute funds.

Lord Young of Cookham: Thank you. We are right up against the clock, so I will hand back to the Chair.

The Chair: Thank you, George. Lord Hunt has a quick question.

Q118 **Lord Hunt of Kings Heath:** Thank you very much for the evidence, which is really interesting. Looking at the evidence we have received since the committee was set up, we continually come across local bodies, agencies, voluntary organisations that talk about how hard it is for local bodies to work together across the public service, whether it is culture, different targets, data sharing. Yet during Covid we had fantastic examples of people just tearing the barriers down. Is government now

looking systematically at changes that it can make from Whitehall to encourage the continued breaking down of those barriers? It seems a really hard challenge at the moment locally.

Mark Sweeney: You faded out a little bit, Lord Hunt, but I think I got most of your question, which is how we bottle the improvements and things like data sharing at local level and between local and national government and not just now, and what the Government are doing about it. It is a really good point. Let us hope that we are now out of the pandemic phase and into the endemic, so the first thing is being able to turn central government and local government energy towards this. A number of people have referred to the enormous strain that local government is sometimes under, and the pandemic seriously contributed to that, if I can put it like that.

There are a couple of things. There is a policy learning point. I talked a little about the work of the CDL's committee, so there is something about them saying, "What have we learned from local government, what have we learned not just from local government but from other delivery bodies and from others like the NHS, and what have we learned about how we as central government interact with them?" There is perhaps occasionally a tendency in central government to say, "We need this thing delivered by local government" and to throw it over the fence and say, "Well, the funding isn't ring-fenced, so we'll leave it up to them to worry about it", but you can see, with local government under the acute strain it has been under from Covid, how that means that local authorities can end up juggling a lot of very acute pressures at once. There is something cultural there about how we think of local government as a partner rather than someone down the delivery chain. That is the first point.

In process terms, I think the CDL's committee is the place for those sorts of policy discussions. On your point about data, I am happy to come back to the committee in writing on this. I do not know the degree to which the CDDO, which as I mentioned has been established in the Cabinet Office, is looking across central government and the data that it has within its control, and ALBs, or whether it is also looking at central to local and among local authorities, too. I can see the argument for that entirely and in what you say, so I am happy to come back in more detail on that, if that would be useful.

The Chair: Thank you.

Q119 **Baroness Pinnock:** I apologise to everybody for my late arrival. I had the timing totally wrong. That has been very interesting. Lord Hunt's question and the answer you gave leads very neatly into the area that I would like to ask about.

In our previous evidence sessions, we have heard from various commissioners and providers, local authority and NHS and so on that the procurement Green Paper will largely be about procuring goods from the private sector. Concerns were expressed that the commissioning of services from charities working with children and other vulnerable groups

are neglected in this thinking. Mark, would you be able to throw some light on how the Cabinet Office can work with commissioners to ensure that the legislation promotes collaboration rather than competition with local voluntary organisations?

Mark Sweeney: Yes, of course. I will give a disclaimer and then an answer. The disclaimer is that procurement is run from the other part of the Cabinet Office under Gareth Rhys Williams, the Government's chief commercial officer. Essentially the intent of the Green Paper and of the reforms is supposed to be that the scope of those who you can procure service from is widened, so it includes charities, voluntary social enterprise and so on, as well as small businesses, given that it is often harder for reasons of capability, capacity and sometimes navigability of government systems and rules for some of those types of organisations to win contracts.

That is the intent of the Green Paper. It is therefore interesting and a bit worrying that you have had evidence that says that it is not that straightforward. Of course, there are slightly different procurement rules for the NHS—I am not an expert on them—and there are NHS-procured reforms under way, too.

Probably the short answer is that that is not the intent of the reform. The intent of the reform is to address that problem. Again, I am happy to get Gareth to write to the committee and set out what we are doing, if you would find that useful and want to pursue it further.

The Chair: I think we would.

Baroness Pinnock: Yes, we would like to hear about that, because, as you mentioned earlier, local authorities are under considerable pressure, and collaborating more closely with local voluntary sector organisations and charities will be an enormous help in delivering the services that are required. If collaboration can be promoted rather than unintended barriers put in their way, that would also be helpful to local delivery. Would either of you like to comment on that? If you could also respond in writing, that would be a great help to our investigation.

Mark Sweeney: I will stick to writing, if that is all right, being conscious of the committee's time but also because you will get a far better answer from Gareth than you will from me.

The Chair: Okay, great. Thank you very much.

Q120 **Lord Bichard:** Such is our passion and enthusiasm for early intervention and prevention on this committee that some of the questions I was going to ask have already been asked, and I am not surprised at that. I want to press Cat on whether there has been a sufficient focus on early intervention and prevention. It was not, for example, a primary focus of the Budget or the last spending review. Have we given that enough priority? The committee in its report felt that we had not, and if we have not, why? What are some of the problems? You mentioned timescale, so that is one issue.

On the same subject, can you assure us that when you are considering reductions in expenditure for services you look at the same time at the implications of those reductions for early intervention and prevention and the impact they will have on other services?

Cat Little: Thank you, Lord Bichard. The first thing to say on the focus on preventive measures in recent years is that we have not had a headline with early intervention in our work, but it has certainly been a huge feature of the outcomes of what we have achieved. I have talked about the public value framework and the outcomes delivery focus that we have had, particularly on shared outcomes. I could run through a very long list of preventive funding packages that have been agreed in the recent Budget and in the recent SR. To give you just a few, we have had £2.1 billion on the improved better care fund, which is pooled with the NHS. We have given further money—£165 million last year—to the supporting families programme. We have given £340 million to the criminal justice system.

Quite often, because so much of what we do in government these days is shared with and de facto focused on early intervention, it might not always be badged as such, and there is definitely something there for me about how we categorise and set out how we are thinking about the funding allocations that we give in the SR. When you get into the detail, there is much more there than perhaps the public and service users realise.

Lord Bichard: Can I press you on that for a moment? I have been there, and I was always keen to list packages of funding that we devoted to particular issues. The real test is the outcomes. I think we found when looking at the pandemic that some of the problems that we faced during the pandemic—some of the areas that were experiencing a higher death rate, some of the communities that were facing higher death rates—could have been prevented; they were preventable. Yet we had not invested enough, we had not done enough, so the outcomes were not sufficient. The pandemic was a powerful example of how we have perhaps not invested enough in prevention, whatever we have put into it.

Cat Little: I completely agree that the outcome is the most important thing and that the funding and the input is merely the start of what you would always hope leads to better outcomes and good value for money. What you describe in the pandemic comes back to some of the challenges I described earlier. Quite often, good evaluation and good investment decisions about early intervention need mature data, and you need time. Of course, in the pandemic we neither had the time nor the data to fully evaluate which interventions would have the biggest impact. That is not a defensive excuse at all. That is just the reality of the situation that we have faced over the last 12 months.

To come back to your question, time and the good evaluation of data are constant challenges in the way we think about early intervention.

Lord Bichard: Excuse me for interrupting, but my point is that the

pandemic exposed the fact that for generations we have not invested enough in early intervention and prevention. I am not saying that we could have changed that overnight, but the evidence was that we had not done enough for half a century.

Cat Little: I was just coming on to say that in many cases that is absolutely right. For the spending review later this year and the work that we are doing to respond to how Covid has highlighted some really big challenges across public services, that will be a fundamentally important question for us to answer and for Ministers to make allocative choices about. I entirely agree with you.

I am very much looking forward to having a comprehensive spending review where we can tackle some of the most significant issues which the pandemic has highlighted.

Lord Bichard: That is very encouraging. And on the other point about reductions and the impact?

Cat Little: The simple answer is that of course we look at the consequences of reductions in spend and of investment. As you will know, quite often both have a knock-on impact on a system-wide basis. Every decision we make about incremental reductions or increases in spend we assess on a system-wide basis. I cannot think of many examples of where you do not have to look across a system or between the boundaries of organisations to understand the consequences of spending decisions. That is a fundamental part of the ethos of the Treasury and of the way we allocate resource and monitor spend.

Lord Bichard: Thanks very much. Mark, do you want to add anything on either of those points?

Mark Sweeney: I will add one thing. It is dangerous to quote from a Treasury document to the Treasury, but on your point about investment and outcomes—leaving aside the question of whether you are right, and I agree with Cat that you are—a number of the provisional metrics for the outcomes which the Treasury published alongside the spending review, although not necessarily comprehensive, go to things that measure early years development, for example: the number of five year-olds who are meeting certain literacy and numeracy targets, the number of kids taking up the disadvantaged two year-old offer. I know that is an input target, but even so.

In a way, the Government and the Treasury have begun to put themselves on the hook for investment decisions for the coming SRs. If those are the metrics that we want to shift and they relate to early years, the Government will need to be able to say after the SR, “These are the allocative choices that we’ve made”—to use Cat’s framing. “This is why we believe that they’ll drive progress in these metrics and, if not, this is why we’ve not made that allocative choice”.

That process of having published outcomes and having said, "These are the things we expect those outcomes to mean on the ground", will be quite important to allow the public, the committee and others to come back and say, "Why did you choose to put money here and not there if you're worried about these outcomes?"

In theory, over time, that might go partly to the question about how you have three-year spending reviews yet at the same time manage consistency of investment in particular outcomes and changes. If Cat disagrees, she can shake her head.

Lord Bichard: No shaking of the head? Thank you very much. Back to you, Chair.

The Chair: Thank you very much. That was a very interesting exchange.

Q121 **Lord Bourne of Aberystwyth:** I have a very specific question, if I may, and it relates to social care. The Government have told us that they will be bringing forward proposals on social care this year. We are nearly half way through the year. Can you tell us when we can expect the proposals, perhaps what form in general they may take, and what the role of the Cabinet Office and the Treasury is on that? You will understand our concern in that there were reports this week that the Prime Minister, the Chancellor and the Secretary of State for Health and Social Care were going to meet to discuss proposals but that meeting did not take place. I do not know whether we should read anything into that.

Mark Sweeney: I would not read anything into what is in the newspapers on it. That is the first thing. The second thing is that my very boring answer is "this year", because that is what Ministers have said. I cannot really shed light on the discussion, because it is a policy formulation one, but I suppose the thing I should say is that we are talking there about potential investment in another area, intervention at early years. Here we are talking about the other end of the spectrum. Any form of social care reform that was comprehensive, radical, significant and so on would have a significant price tag and would need a means to pay for it. Those are statements of the obvious, but to go back to Cat's point earlier about allocative choices, that is one of the other things that has to be weighed when the Treasury is working out with the PM how to prioritise things in a spending review.

The short, non-bureaucratic version is that I cannot tell you when, but Ministers have said it will be this year. It is a significant choice, and because of its financial implications the Treasury will have to bear that in mind as they think about the spending review envelope.

Lord Bourne of Aberystwyth: I understand that, but are you able to confirm in general terms without giving away the nature of the proposals that the Treasury and the Cabinet Office are working on this with the deadline of the end of the year, given that that is what Ministers have said?

Mark Sweeney: I am afraid I am not, because it is a policy formulation, so we are unable to offer a commentary on it. If I were a Minister, I might be prepared to go further, but I am afraid that as an official I cannot. I understand why you are interested, because it is such a significant question.

Lord Bourne of Aberystwyth: It is not just me.

The Chair: Cat, did you want to add anything?

Cat Little: The only thing I would add and emphasise is that the scale and the price tag associated with any reform here are significant. In the context of a spending review, it is a major set of decisions that clearly cannot be undertaken lightly and that need a significant amount of work. Of course, my teams will work very closely as needed to develop the policy package but, as Mark has said, it is very difficult for us to say anything at this stage, given that it is policy under development.

Q122 **Baroness Tyler of Enfield:** Thank you to both our witnesses. I want to go back to the issue that we were talking about earlier: joint bids to the Treasury in the context of the spending review. First, I cannot remember if it was Mark or Cat who talked about the difference between shared or joint bids and what are called aligned bids. I do not think I fully understood that distinction.

Secondly, I certainly got the impression from Cat that you welcome these aligned bids, if they come up, but I did not get the impression that you proactively go out and say to departments, "It would be better value for money for government as a whole if these two or three departments came in with a pooled or shared bid". What degree of proactivity is there from you at the centre on this?

Cat Little: It is a great question and it gives me an opportunity to go through how we absolutely proactively encourage, support and incentivise joint bids.

To go back to your first question about definition, the very simple difference between a joint bid and an aligned bid is that a joint bid is a formal joint submission from a number of departments or organisations in government. It comes outside a department bid. An aligned bid is a department submitting within its own bid to the Treasury something that is connected to another department's bid, but they have not formally made a joint submission. It is an important distinction, because there are different incentives and different processes for how those bids are submitted to the Treasury.

In terms of proactivity, I cannot emphasise enough just how much we encourage and actively ask for joint bids, and not only on specific themes; we provide guidance throughout the whole process. As we start to prepare for this year's comprehensive spending review, we will start by setting out the crosscutting themes that we most want to prioritise. We will then commission departments actively on a thematic basis, and we will set out where we expect joint bids to offer better value for money

and where we will ask departments to seriously consider it and work together. Quite often, we will ask why they have not provided a joint bid, because we need to understand the barriers and whether there are any issues that we need to unlock.

We also provide lots of advice and guidance, so my teams run joint bid preparation sessions to talk about the sorts of evidence and information that they need to submit, but also how best to provide the information. We give case studies of joint bids that have worked well in the past.

My very simple answer is yes, we really want departments to proactively give us joint bids. We think they are a good thing and will go out of our way to incentivise and provide guidance to do so.

To Lord Young's point, having been on the spending department side, there are some really interesting cultural issues here that we need to tackle. I think there is a perception that administratively it is harder to go through a joint bid process. It is not. It is exactly the same as any bidding process; it is just that you have to submit a separate piece of paper.

Fundamentally, human behaviour and a cultural perception here are an important part of the process that we have to break down. Quite often, departments can think that it is hard work and just generally quite difficult to get multiple Ministers and multiple senior officials to agree what a joint bid should include. I have sympathy with that, having done lots of joint bidding in the past. It is hard work, and you will all appreciate that sometimes getting one Minister in your department to agree what you should be including in a submission is challenging enough, but to do it multiple times over and to get alignment takes real hard work.

We need to provide the incentives and to make sure that there is real common ground on what we are trying to achieve as we go into a spending review so that that alignment process is as easy as possible.

The Chair: Thank you. So a joint bid on reducing the number of vulnerable children is a possibility?

Cat Little: Absolutely, yes.

The Chair: We shall take note of that. Baroness Pitkeathley has our last question, I am sure you will be relieved to know.

Q123 **Baroness Pitkeathley:** This is a question to Cat and is about the social care issue. Absolutely recognising the huge amounts of money that are required, it is above all an area where you spend in one area and save in another. If you provide good social care, for example, you save billions of pounds to the health service. If you enable disabled people to continue in work, you bring in tax revenue to the Treasury. Will those kinds of crosscutting issues be considered when the social care reforms are discussed?

Cat Little: The very simple answer is yes. I mentioned the better integrated care fund. That is a really good example of where we are working with the NHS and social care providers to look at how we can provide better care and ease burdens on the NHS further down the line. I would argue that work is already under way, but of course the systemic and much bigger questions about the cost of care and how we improve social care are huge generational questions that go beyond some of the initial work that has been undertaken.

The Chair: That is great, and we have somehow managed to do all that in time. I know that you have busy days. It is why we had to meet at 9 am. We are really grateful. I have certainly got lots of ideas out of all that. We wish both of you well. It has been a difficult past 18 months for the Civil Service. We acknowledge and understand that, but you have really important things to do in the future, and we hope that we can be helpful in how the vulnerable children issues are addressed, so that we reduce the number and increase the resilience in the population. That would be a great long-term outcome.

Thank you very much indeed for coming this morning, and we hope that we will be able to talk with your Ministers later in our inquiry.